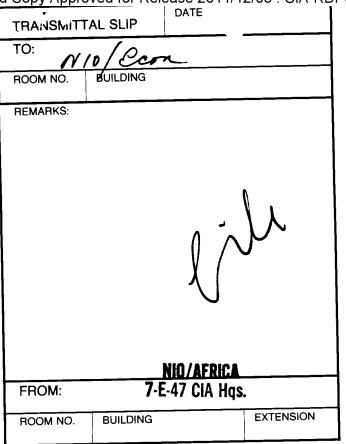
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	The Director of Cent Washington, D.6	tral Intelligence C. 20505	Argula Soniy 8	,
National Intelligence Cou	uncil		02240-87	,
National Intelligence Cou	inen	26 May		
MEMORANDUM FOR:	The Honorable Chester Assistant Secretary of	A. Crocker f State for African Aff	airs	
SUBJECT:	Interagency Group-Requested Paper on the Impact of Sanctions on Angola			
which would examine economic penalties UNITA behavior. General Horton, Chat the most expe	agency Group on Africa, r Abramowitz that my off ne the impacts of currens on Angola, with additi In discussions between Anairman of the National editious way to respond IA-INR paper coordinated	fice coordinate an inte nt and prospective addi ional questions on Euro Ambassador Abramowitz a Intelligence Council, to this request would	ragency paper tional US pean and nd Major it was agreed be in the	
with State's Burea as Chairman of the	hed paper addresses the epared by CIA's Director au of Intelligence and Re IG for use by the Inteve been made. Please comembers with INR.	rate of Intelligence an Research. It is being Bragency Group: no othe	d coordinated sent to you r	
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	Nation	Frederick L. Wetter nal Intelligence Office	ing	
	Nation	ial interrigence of fice	r for Africa	
Attachment: As st		at interrigence of fice	r for Africa	
cc: Amb. Abramowi		,	r for Africa	
cc: Amb. Abramowi for Intelli	ated tz, Assistant Secretary gence and Research	,	r for Africa	25
cc: Amb. Abramowi for Intelli	ated tz, Assistant Secretary gence and Research	,	r for Africa	25

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	26 May 87	
THE IMPACT OF	UNITED STATES ECONOMIC SANCTIONS ON ANGOLA	
Summary		
in our estimation, correloans and investment represtrictions against Angchanged any investment dompany tax exemptions. reduced Luanda's ability troops and technicians, Angola's ability to make withdraw its forces or togovernment reportedly has anctions since US legis rebels expired in late 1 Angola could shift its of Far East and thus move of from prices it could obtangolan oil exports come	prospective additional US sanctions on Angola will, espond to this historical pattern. New European portedly have offset the impact of US commercial gola, and we have no reporting that US companies have decisions in Angola because of the restrictions on US. The decline in world oil prices in early 1986 to pay for Soviet military equipment and Cuban but we do not believe that a further decline in the currency payments would induce Cuba to the Soviet Union to cease its support. The Angolan as been concerned with possible additional US calation prohibiting official support of the Angolan 1985, but in the event of a total US trade embargo, will sales to Europe, South America, and possibly the quickly to regain markets at little or no discount the calculustion of the VS market. Moreover, because all of the from offshore wells, the vast bulk of Angolan endeather the possible reach of UNITA attack for the next	25
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